



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

JUL 30 2014

REPLY TO THE ATTENTION OF:

Mr. Ray Pilapil
Permit Section Manager
Bureau of Air
Illinois Environmental Protection Agency
1021 North Grand Avenue East
Springfield, Illinois 62794-9276

Dear Mr. Pilapil:

The U.S. Environmental Protection Agency has the following comments on the Illinois Environmental Protection Agency's (IEPA) draft of the Clean Air Act Program (CAAPP) permit for the Kincaid Generation, LLC, Kincaid Station, located at 199 Illinois 104, Kincaid, Illinois (Permit No. 95090078). We appreciate your efforts in working with us towards the common goal of issuance of a CAAPP permit that is clear, enforceable and consistent with the Clean Air Act. Our comments are as follows:

- 1. The draft CAAPP permit is missing applicable requirements established in a construction permit issued for the Kincaid Station in 1999.**

Construction permit # 97080088, issued in 1999, contains Conditions that appear to be missing from the current draft CAAPP permit. Condition 5b of that permit states that inspections of the coal and ash handling equipment, including the control systems equipment, are to occur at least weekly. However, the draft CAAPP permit does not include this Condition. Instead, with the exception of weekly inspections for the loadout section of the fly ash handling equipment, the draft permit requires monthly inspections. Furthermore, the draft permit does not include the relevant language from condition 5b that requires weekly inspections to "confirm compliance" with the numerical Particulate Matter (PM) limits that apply to, among other things, the fuel silo baghouse addressed in Condition 7.2.6.b.i of the draft CAAPP permit.

- 2. The draft CAAPP permit does not specify a minimum set of control measures to be applied to coal handling, coal processing, and fly ash equipment to assure continuous compliance with applicable opacity and PM limits.**

The draft CAAPP permit requires the Permittee to implement and maintain control measures to minimize Visible Emissions (VE) of PM from coal handling and processing equipment, and provide assurance of compliance with the applicable emission standards in conditions 7.2.4,

7.3.4 and 7.4.4.¹ The draft permit states that the Permittee shall implement and maintain “the control measures” for the affected operations, which apply to coal handling, coal processing and fly ash handling equipment. Condition 7.2.6(a)(i) (emphasis added). The draft permit further requires the Permittee to submit to IEPA a record of the established control measures for each of the affected operations within 60 days of permit issuance.²

As written, the draft CAAPP permit does not require the Permittee to use any specific control measures for coal handling and processing equipment. The draft permit allows the Permittee to select any type of control measure(s), and provides the Permittee discretion to change those control measures. Therefore, the draft CAAPP permit does not comply with 40 C.F.R. § 70.6(a) because it does not contain sufficient operational requirements to assure compliance with the applicable opacity and PM limits for coal handling, coal processing and fly ash handling equipment.³ In addition, the draft permit does not provide the public with the opportunity to meaningfully comment on the selected control measures.

To address these concerns, we request that IEPA:

- a. Revise conditions 7.2.6(a)(i), 7.3.6(a)(i) and 7.4.6(a)(i) to specify the minimum set of control measures for the coal handling, coal processing, and fly ash handling equipment;
- b. Revise conditions 7.2.9(b)(i) and (ii), 7.3.9(b)(i) and (ii) and 7.4.9(b)(i) and (ii) to require review and approval by IEPA of the control measures selected by the Permittee; and
- c. Incorporate the specific control measures, including the pertinent information on the control measures (description, frequency, and other information necessary to demonstrate compliance with applicable limitations), corresponding to each emission point into the permit during the planned reopening for cause process.⁴

3. The frequency of the required VE observations from coal handling equipment, coal processing equipment, and fly ash equipment is inadequate to assure continuous compliance with applicable opacity and PM limits.

The draft CAAPP permit contains inspection requirements for the coal handling, coal processing, and fly ash equipment.³ These include monthly inspections of the coal handling, coal processing and fly ash equipment, and weekly inspections of the fly ash equipment. In addition, the draft permit requires that the Permittee perform VE observations using EPA Reference Method 22 once per calendar year.

Given that the majority of the affected equipment operates regularly throughout the year, it is not clear how the draft CAAPP permit inspection requirements and frequency of the required VE observations are adequate to yield reliable and accurate emissions data, as required by 40 C.F.R. § 70.6(a)(3)(i)(B), with respect to the applicable opacity and process weight rate PM limits.

¹ See Conditions 7.2.6, 7.3.6 and 7.4.6.

² See, e.g., Condition 7.2.9(b)(iii).

³ See, generally, Conditions 7.2.8, 7.3.8, and 7.4.8.

⁴ This is appropriate since the current permit will require the submittal of full documentation to support the selected control measures.

During the planned reopening process, once IEPA has the information regarding the control measures discussed in Comment 2, Conditions 7.2.8(b), 7.3.8(b), and 7.4.8(b) should include additional monitoring and/or testing to yield the reliable data that assures compliance on a continuous basis. Finally, IEPA should provide in the Statement of Basis for this permitting action an explanation of how the control measures and monitoring requirements for each transfer point, coal pile, conveyor belt, and other points of fugitive emissions will assure compliance with all applicable opacity and PM limits. This should include a discussion of the relationship between monitoring frequency and applicable emission limits.

4. **The draft CAAPP permit language should allow for the 30% parametric monitoring limit for the coal-fired boilers to be revised downward should testing indicate a more stringent limit is necessary to demonstrate compliance with applicable PM limits.**

Condition 7.1.9.c.ii.A. establishes an opacity limit to comply with the PM limit. The draft CAAPP permit requires testing of the coal-fired boilers within 120 days of issuance of the current permit to determine the correlation between PM emissions and opacity. This testing is expected to yield data that will reflect the relationship between opacity and PM emissions from the boilers at this facility. We request that, in the event that testing indicates a relationship of opacity to PM that indicates the need for a number that is more stringent than the established limit of 30%, IEPA revise the Condition during the re-opening to reflect the more stringent/accurate limit.

We provide these comments to ensure that the permit meets all applicable federal requirements and provides necessary information to the public, and that the record contains adequate support for the permit decision.

We look forward to working with you to address these comments. If you have any further questions, please feel free to contact Danny Marcus, of my staff, at (312) 353-8781.

Sincerely,



Genevieve Damico
Chief
Air Permits Section